



**CITY OF HUNTINGTON BEACH  
PUBLIC WORKS COMMISSION  
INFORMATION ITEM**

Item No. PWC 10-26

**SUBMITTED TO:** Chairman Siersema and Members of the Commission

**SUBMITTED BY:** Travis K. Hopkins, PE, Director of Public Works

**DATE:** August 18, 2010

**SUBJECT:** 15% Infrastructure Calculation History

**Analysis:** In accordance with City Charter Section 617 Infrastructure Fund, the City budget is required to maintain expenditures for infrastructure not less than 15% of general fund revenues. The Finance Director will present information including calculation and methodology.

Components of the 15% calculation were established by the Infrastructure Advisory Committee and the Infrastructure Planning Committee. General Fund expenditures related to infrastructure include various percentages of Public Works, Community Services, Library Maintenance, and GIS program accounts (Business Units) and infrastructure related debt service. An *infrastructure factor* is applied to various accounts to reflect a percentage of that account dedicated to infrastructure. Percentages range from 25% for Community Services Administration to 100% for most Public Works, maintenance and debt service programs.

The Finance Department has completed a review of past practices used in the Infrastructure Calculation. The review with findings will be presented for Public Works Commission discussion.

City Charter Section 617 Infrastructure Fund

b) Revenues placed in the Infrastructure Fund shall not supplant existing infrastructure funding. The average percentage of general fund revenues utilized for infrastructure improvements and maintenance, for the five- (5) year period of 1996 to 2001, is and was 14.95%. Expenditures for infrastructure improvements and maintenance, subsequent to 2001, shall not be reduced below 15% of general fund revenues based on a five- (5) year rolling average.

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